

OFFICIAL DISPATCH

VIA: **AIR**

SPECIFY AIR OR SEA MAIL

MICROFILMED

SEP 15 1961

DOC. MICRO. SER.

TO: Chief of Station, []

FROM :

Chief, Foreign Division M

SUBJECT: GENERAL.

SPECIFIC:

Operational
Arthur FIER @ Ascher RERNIKAZ @ Asher Ben NATAN
(@BEN-NATAN, BEN-NATHAN, BEN-NATHAN) @BEN ZWI

Reference

- WASH 08812, MSB-W-3078 na

(105-3657-17)
dated May 17)

DISPATCH NO. **MSB-W-3149**

SECRET

CLASSIFICATION

DATE: **26 September 1951**

SP

Gen Op Mater - devl.

Vienna

15 Feb 1918 or 1921

1. Vienna has reported that the information forwarded in references was procured by their source from Michael SCHMUTZ, who served as a courier and agent for Subject when the latter was stationed in Austria. According to SCHMUTZ, Subject is currently in disfavor with the IIS but is attempting to work his way back into their good graces. *ARTHUR FIER*

WHILE PIER WAS IN AUSTRIA

2. Subject was the principal agent of the defunct Austrian project SYMPHONY, which had as its aims (a) the procurement of CI information from refugees escaping from Soviet-occupied countries; (b) identification of agents of the Jewish Agency; (c) penetration of those organizations sending Soviet controlled agents into the Allied Zones and Palestine through Jewish refugee channels. It is uncertain from records here as to just when contact was established with Subject by an officer of our predecessor organization, but it appears the project was a fait accompli when first reported to Washington in April 1946. The officer reported his original approach to Subject was made under the cover of a newspaper correspondent who was seeking to obtain the complete picture on Jewish emigration and that Subject was subsequently informed of AIS interest. A notation in the SYMPHONY file, however, states that the case officer on his return to Washington stated that he had known Subject well just prior to and during the early years of the war, when they had undergone special training together in the Middle East for an Army operation (sic).

RELEASING OFFICER

SPS **WJ**
COORDINATING OFFICER

AUTHENTICATING OFFICER
BRONSON TWEEDY

FORM NO. 51-20
JUN 1949

AN	AM	PT	SPS	WJ
PS	PS	DET	COORDINATING	OFFICER
ABSTRACT	INDEX	AND		
E/G		CS COPY.		

DECLASSIFIED AND RELEASED BY
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SOURCES METHODS EXEMPTION 3B2E
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

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3. Subject, who was officially accredited as a staff member of the Joint Distribution Committee in Vienna, was actually chief of the Jewish Agency there. The Jewish Agency was in effect the predecessor of the present Israeli Government. During the war, the British collaborated with the Jewish Agency but official contact, according to a Jewish Agency representative, was discontinued upon the cessation of hostilities. ZACAMERIC was also in contact with the Jewish Agency during the war.

4. Subject conducted a highly efficient clandestine network with couriers into Rumania, Czechoslovakia, Hungary and Poland for the purpose of expediting the emigration of Jews through Austria to Palestine. Subject and his agents were also active in tracking down Germans who were accused of atrocities against the Jews, and in the collection of documents or intelligence which might be of value to the Jewish Agency. Subject had a source in British counter-intelligence, through whom he saw the complete censorship intercept files on himself and the Jewish Agency, and from whom he learned of counter-measures planned by the British which might affect his work.

5. The SYMPHONY project was unsuccessful largely due to our lack of control and regular contact was suspended in the summer of 1946, at which time the case officer left Austria. Subject had succeeded in using American facilities for his own purposes, providing little of value in exchange. Apparently Subject was acquainted with several members of our predecessor organization, and in January 1947 he was again contacted, informed that CIC had taken over the function of gathering intelligence in the field and was introduced to a CIC case officer.

6. Fortunately, the aforementioned CIC officer is now a ZACABIN desk officer and we were able to get his personal appraisal of Subject. He stated that he maintained a casual contact with Subject until the latter left Austria (presumably in the summer of 1947), but received virtually nothing of intelligence value from him. Nonetheless, this officer has a high professional regard for Subject, stating that Subject had great success in attaining his objective -- that is, expediting the emigration of Jews, and that efforts to get him to produce intelligence on behalf of the Americans failed largely due to Subject's almost fanatical concentration on his own goal. Subject was

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ruthless and did not hesitate to use opportunistic methods to accomplish his mission. The former CIC officer suspected, although it was never proved, that Subject possibly was aware that the Soviets were infiltrating certain of their agents among groups of illegal Jewish refugee emigrants being conducted to Palestine. Subject's relationship with his CIC officer was a friendly one and the latter was unable to counter the logic of Subject's position that he was perfectly willing to assist the Americans provided such assistance could be rendered without compromise to his own mission (apparently Subject decided, reasonably enough, intelligence gathering of the sort we wished would compromise his mission).

7. A USFA Intelligence Summary, dated 11 July 1947, stated that Subject was leaving Austria to return to Palestine. The report noted that it was rumored in anti-Jewish Agency circles that he had made quite a fortune during his stay in Austria, and was returning to Palestine temporarily prior to assuming another important Jewish Agency post.

8. KEL-2228, dated March 1947, gives background data on Subject, certain of which is apparently derived from CIC Austria reports, although M.I. 5 is listed as source. Both this report and one made by Subject's SYMPHONY case officer list Subject as Arthur PIER @ BEN-ZWI; born 15 February 1921 in Vienna; correspondent for a Tel-Aviv newspaper and for PAL-COR (Palestine Telegraph Agency) in London; accredited news-correspondent of the British Public Relations Office in Vienna. (In this latter connection, the SYMPHONY files contain a Cairo cable, dated 27 June 1946, stating that Subject is unknown in the Middle East; did not work for SIME; and that his press card is false.) KEL-2228 continues by listing Subject's father as a businessman named Nathan PERNIKARZ; mother, Bertha nee FITZNITZER. Subject is shown as married (wife's name not given); an Austrian citizen and Jewish. He is described as a Palestine Zionist who expects to become a citizen of Palestine shortly although technically still an Austrian. Subject is reported to have lived with his parents in Vienna until 1938 when he left in order to immigrate to Palestine. According to an interview with Subject, he stated he accepted a job as secretary to an agricultural settlement in Hadera, Palestine, remaining there until August 1944, when the Jewish Agency in Haifa asked him to act as an interrogator of refugees coming from European countries. He remained in this

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latter job until the cessation of hostilities, and in September 1945 was appointed as news correspondent. He returned to Vienna via Italy in November 1945.

9. The personalia given in the preceding paragraph is supplemented by a notation made by the desk here which lists Subject's name as Ascher PIERNIKAZ; father, Nachum; mother, Berta; wife, Ruth. This notation is based on an unindexed ZACAMERIC report and indicates that Subject did not serve either with the Allied or the German forces during the war, and that his occupation was that of a farm manager.

10. In addition to the information forwarded in MSEW-2263, PIR-5777 states that Subject was born at Vienna on 15 February 1918; holds service passport No. 71 issued at Hakirya on 20 December 1948; and that he travels under the cover of Israel Consular Inspector. During his stay in Rome, he visited the Israel Legation and received two Legation officials at his hotel. Subject also had long talks with Edmond CROSS and Alfred BENTLEY, a British citizen who is alleged to be another important element of the IIS and to be carrying out "a certain activity" in Milan.

CH. UK in contact with Arthur Pier []
11. PIRA-5874 (source [] from CROSS), dated 21 April 1950, indicated that Subject is not only the head of the IIS abroad, but also controls the Israeli Security Service, which is an organization operating within Israel having exclusively negative or defensive duties.

12. Vienna is being queried on the circumstances under which Subject's name arose in connection with their recent reports. Meanwhile, we would appreciate any information which you can supply on Subject. This is not to be construed as a request to mount an operation and we do not wish a special check to be made at this time with your liaison sources. We are interested first of all in establishing that Subject is indeed in Geneva and what his ostensible position is, which we suggest may be known to [] or ascertained through a spot check by []. In view of Subject's reputation, we recommend the greatest care in any checking.

Edmond Cross []
in contact with Arthur Pier [] []

P.S. [] (comment) A British report on the IIS, which has just come in and which nobody has yet had a chance to read in

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detail, states that Ben NATHAN retired from the Israeli service in April 1951, but does not give his present whereabouts (as far as we know from a cursory glance). While this report may very well be true and you may find Ben NATHAN of no current interest, it is equally possible that he will become active again at any moment. The British report also makes clear that PERES and PIER are not identical and confirms the [] report (see MSEW-3078) connecting the former with the Israeli bank in Geneva. This bank's proper title is ~~Bank pour le~~ (149) Commerce Suisse Israélien, Grand-Quai 24, telephone 27-12-50 (see page 679 of "Annuaire Suisse, 1951," for other details). The British report also confirms the bank's IIS connection. In other words, our Israeli targets in Switzerland appear to be growing. ISRAELI BANK IN GENEVA

However, a word of warning and a plea for patience. It is requested that, apart from continuing your present and planned (e.g., SEVENSMA) Israeli operations, you do not increase your tempo in this field for the moment. Israeli operational direction is being brought under one desk here and a complete review is just getting under way of all Israeli operations. When completed, this will result in an assessment of all such operations and a decision as to which will be continued. A system of operational priorities will also be set up. It is believed that the [] case will come out of this review very well, as one of the cleanest and most promising of the lot. It is also hoped that a great deal more general background information on the Israelis and their service will become available to the field.

A further complicating factor in all the above is the growing belief that the IIS is undergoing radical reorganization and a shake-up of personnel, of which the ELAN shift is but a minor manifestation. In a few weeks this pattern may be more clear, but in any event, we hope to be more efficiently organized to support your Israeli operation.

WY
ISRAELI BANK IN
GENEVA WITH IIS
CONNECTIONS

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